

IRS News Release

Media Relations Office

Washington, D.C.

Media Contact: 202.622.4000

www.irs.gov/newsroom

Public Contact: 800.829.1040

IRS Issues Fall 2007 Statistics of Income Bulletin

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WASHINGTON — The Internal Revenue Service today released the fall 2007 issue of the Statistics of Income Bulletin, featuring data from 134.4 million individual income tax returns filed for tax year 2005.

U.S. taxpayers reported \$7.4 trillion of adjusted gross income less deficit in tax year 2005, up 9.3 percent from tax year 2004 when 132.2 million returns were filed.

Certain types of income posted strong gains between 2004 and 2005. Net capital gains climbed 41 percent and taxable interest rose 29.5 percent, while net partnership and S corporation income gained 27.3 percent.

Taxable income totaled \$5.1 trillion in tax year 2005, up 10 percent from the prior year. Total income tax increased for a second straight year, rising 12.4 percent to \$934.8 billion. Between tax years 2003 and 2004, total income tax rose 11.2 percent, the first increase in 4 years.

The alternative minimum tax (AMT) grew 33.7 percent between 2004 and 2005 to \$17.4 billion. Four million taxpayers paid the AMT in 2005, compared to almost 3.1 million in tax year 2004.

This edition of the quarterly Bulletin also includes articles about:

- **Growth trends in partnerships:** Between tax years 2004 and 2005, the number of partnerships rose 8.5 percent to about 2.76 million. The number of partners increased just 4.2 percent to about 16.21 million in tax year 2005. Meanwhile, income rose at a much faster rate. Total partnership net income climbed 42 percent to \$546.2 billion in tax year 2005.
- **Municipal bond issuance:** State and local governmental entities issued about \$475 billion of tax-exempt bonds in calendar year 2005, up 11.9 percent from the prior year. Governmental bonds accounted for about three-quarters of the total, while private-activity bonds represented the remainder.

- **A look at private foundations:** The number of private foundations that filed Form 990-PF remained nearly the same between tax years 2003 and 2004, while the number of nonexempt charitable trusts treated as private foundations that filed the return increased by 12 percent. In tax year 2004, private foundations distributed \$27.6 billion in contributions, gifts, and grants and other outlays for charitable purposes, while nonexempt charitable trusts distributed \$314 million.
- **Recent data on charities:** For tax year 2004, nonprofit charitable organizations exempt from income tax under Internal Revenue Code Section 501(c)(3) filed more than 276,000 information returns, an increase of 5 percent from 2003. These organizations held more than \$2.0 trillion in assets, a real increase of 5 percent from the previous year and 52 percent over the past decade.
- **Corporate foreign tax credits:** For tax year 2003, U.S. corporations claimed \$50 billion in foreign tax credits. Corporations that claimed a foreign tax credit paid \$140.5 billion in worldwide income taxes on \$424.5 billion in worldwide taxable income.
- **Historical data:** The final article in the issue describes the availability and expansion of SOI's published corporate data between 1917 and today and presents some corporate data highlights within a historical context.

For historical data on income, deductions and tax reported on returns filed by individuals, corporations and unincorporated businesses, with selected data presented for estates, visit the IRS Web site, www.irs.gov, and click on "Tax Stats" in the lower right-hand corner.

From the Tax Stats page, select "SOI Bulletins" under "Products, Publications, & Papers" and click on "Historical Tables and Appendix." Also on these pages are statistics presented on tax collections, including excise taxes by type, and refunds for recent years.

The Statistics of Income Bulletin is available from the Superintendent of Documents, U.S. Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7954. The annual subscription rate is \$53 (\$74.20 foreign), single issues cost \$39 (\$48.75 foreign).

For more information about these data, write the Director, Statistics of Income (SOI) Division, RAS:S, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608; call SOI's Statistical Information Services at (202) 874-0410; or fax, (202) 874-0964.

To access an electronic version of the fall 2007 issue of the Bulletin, from the "SOI Bulletins" page described above, select "Fall 2007."